

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**

**ANNUAL FINANCIAL REPORT**

**June 30, 2012**

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Annual Financial Report**  
**As of and for the Year Ended June 30, 2012**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
North Webster Parish Industrial District

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of North Webster Parish Industrial District as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of North Webster Parish Industrial District as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 14, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-10 and 37-38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Webster Parish Industrial District's financial statements as a whole. The information listed as other supplemental schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Jameson, Wise & Martin*

Minden, Louisiana

December 14, 2012

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended June 30, 2012**

The Management's Discussion and Analysis (MD&A) of the North Webster Parish Industrial District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the notes to the financial statements and the financial statements to enhance their understanding of the North Webster Parish Industrial District's financial performance.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 12 and 13) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements begin on page 14. For governmental activities, fund statements tell how activities were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

**Reporting the District as a Whole – Government-Wise Financial Statements (GWFS)**

**The Statement of Net Assets and the Statement of Activities**

Our analysis of the District as a whole begins on page 12. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. One could think of net assets—the difference between assets and liabilities—as a measure of the District's financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating. One also needs to

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Management's Discussion and Analysis**  
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consider nonfinancial factors, however, such as changes in the District's property tax base and the occupancy and expansion of the industrial park, to assess the overall health of the District.

In the Statement of Net Assets and the Statement of Activities, we divide the District into two kinds of activities:

- **Governmental activities** – Most of the District's basic services are reported here, which includes general administration and park maintenance. Property taxes, building leases, and state grants finance most of these activities.
- **Business-type activities** – The District charges a fee to its tenants to help it cover the water and sewer services it provides. The District's water and sewer system activities are reported here.

**Fund financial statements**

Fund financial statements provide detailed information regarding the District's most significant activities and are not intended to provide information for the District as a whole. Funds are accounting devices that are used to account for specific sources of funds. The District's two kinds of funds – *governmental and proprietary* – use different accounting approaches.

- **Governmental funds** – The District's report is made of two governmental funds, the general fund and debt service fund. The primary operations are reported in the general fund which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The debt service fund accounts for resources used to service long-term debt. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Management's Discussion and Analysis**  
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governmental *funds* in a reconciliation following the fund financial statements.

- *Proprietary funds* – When the District charges its tenants for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the District's enterprise fund (a component of proprietary funds) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

**THE DISTRICT AS A WHOLE**

For the year ended June 30, 2012, net assets changed as follows:

**Table 1**  
**Net Assets**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and other assets	\$ 3,634,802	\$ 3,157,363	\$ 1,793	\$ 1,512	\$ 3,636,595	\$ 3,158,875
Capital assets	<u>8,455,925</u>	<u>8,767,096</u>	<u>763,804</u>	<u>810,596</u>	<u>9,219,729</u>	<u>9,577,692</u>
Total assets	<u>12,090,727</u>	<u>11,924,459</u>	<u>765,597</u>	<u>812,108</u>	<u>12,856,324</u>	<u>12,736,567</u>
Current liabilities	(153,758)	(148,989)	(1,187)	(2,090)	(154,945)	(151,079)
Other liabilities	<u>(1,789,037)</u>	<u>(1,933,014)</u>	<u>-</u>	<u>-</u>	<u>(1,789,037)</u>	<u>(1,933,014)</u>
Total liabilities	<u>(1,942,795)</u>	<u>(2,082,003)</u>	<u>(1,187)</u>	<u>(2,090)</u>	<u>(1,943,982)</u>	<u>(2,084,093)</u>
Net assets:						
Invested in capital assets,						
net of debt	6,525,925	6,702,096	763,804	810,596	7,289,729	7,512,692
Restricted debt service	136,469	127,285	-	-	136,469	127,285
Unrestricted (deficit)	<u>3,485,538</u>	<u>3,013,075</u>	<u>606</u>	<u>(578)</u>	<u>3,486,144</u>	<u>3,012,497</u>
Total net assets	<u>\$10,147,932</u>	<u>\$ 9,842,456</u>	<u>\$ 764,410</u>	<u>\$ 810,018</u>	<u>\$ 10,912,342</u>	<u>\$ 10,652,474</u>

As mentioned earlier, net assets may serve over time as a useful indicator of a government's financial position. The District's assets exceeded liabilities by \$10,147,932 and \$764,410 in the governmental and business type activities, respectively, at the close of the most recent fiscal year.



**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended June 30, 2012**

The largest portion of the District's net assets (67%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide infrastructure and buildings to tenants operating within the industrial park. These assets are not available for future spending, unless sold to the tenants.

Restricted net assets represents amount available for debt service requirements.

Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by enabling legislation, debt covenants, or other legal requirements – are \$3,485,538 in the governmental activities at the end of the current year. The business-type activities report \$606 in its unrestricted net assets.

**Table 2**  
**Changes in Net Assets**

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b><u>Activities</u></b>		<b><u>Activities</u></b>		<b><u>Primary</u></b>	
	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 505,400	\$ 467,718	\$ 10,645	\$ 11,151	\$ 516,045	\$ 478,869
General revenues						
Property taxes	507,680	500,400	-	-	507,680	500,400
Royalties	15,249	14,749	-	-	15,249	14,749
Investment earnings	35,797	57,532	-	-	35,797	57,532
Other revenues	-	<u>30,757</u>	-	-	-	<u>30,757</u>
Total revenues	<u>1,064,126</u>	<u>1,071,156</u>	<u>10,645</u>	<u>11,151</u>	<u>1,074,771</u>	<u>1,082,307</u>
<b>Program expenses</b>						
General government	648,731	726,521	-	-	648,731	726,521
Park maintenance	10,345	6,926	-	-	10,345	6,926
Interest on long-term debt	68,564	78,059	-	-	68,564	78,059
Water and sewer	-	-	<u>87,263</u>	<u>100,199</u>	<u>87,263</u>	<u>100,199</u>
Total expenses	<u>727,640</u>	<u>811,506</u>	<u>87,263</u>	<u>100,199</u>	<u>814,903</u>	<u>911,705</u>
Excess (deficiency) before transfers	336,486	259,650	(76,618)	(89,048)	259,868	170,602
Transfers	<u>(31,010)</u>	<u>(56,532)</u>	<u>31,010</u>	<u>56,532</u>	-	-
Increase in net assets	\$ <u>305,476</u>	\$ <u>203,118</u>	\$ <u>(45,608)</u>	\$ <u>(32,516)</u>	\$ <u>259,868</u>	\$ <u>170,602</u>

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended June 30, 2012**

**Governmental-type activities**

The net assets of the governmental-type activities increased by \$305,476. Overall, total revenues were comparable to amounts reported in the prior year, although this year interest rates were lower. The District was able to execute a new lease and worked to increase the monthly lease revenues from an existing tenant.

Overall expenses decreased in comparison with prior year expenses. The decrease was attributed to the loss of the park manager at the beginning of the year as well as a decrease in consultant and promotional expenses.

**Business-type activities**

Water and sewer revenues for the District were comparable with those of the prior year. Depreciation expense accounts for 54% of the total expense of the water and sewer system. The water and sewer system operates through transfers from the governmental activities.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended June 30, 2012**

**THE DISTRICT'S FUNDS**

Activity for the District's major governmental fund is presented as follows:

	FYE 6/30/12	Percent	Increase (decrease)	Percent increase
<u>Revenues</u>	<u>Amount</u>	<u>of Total</u>	<u>from FYE 6/30/11</u>	<u>(decrease)</u>
Taxes	\$ 507,680	59 %	\$ 7,280	1.45 %
Rental income	297,810	35 %	44,460	17.55 %
Oil & gas royalty	15,249	2 %	500	3.38 %
Interest	<u>35,189</u>	<u>4 %</u>	<u>(24,847)</u>	<u>(41.39) %</u>
Total revenues	\$ <u>855,928</u>	<u>100 %</u>	\$ <u>27,392</u>	3.31 %

	FYE 6/30/12	Percent	Increase (decrease)	Percent increase
<u>Expenditures</u>	<u>Amount</u>	<u>of Total</u>	<u>from FYE 6/30/11</u>	<u>(decrease)</u>
General government	\$ 154,071	78 %	\$ (122,523)	(44.30) %
Park maintenance	10,345	5 %	3,419	49.36 %
Capital outlay	<u>32,869</u>	<u>17 %</u>	<u>(469,243)</u>	<u>(93.45) %</u>
Total expenditures	\$ <u>197,285</u>	<u>100 %</u>	\$ <u>(588,347)</u>	<u>(74.89) %</u>

The General Fund experienced an increase of \$477,633 in fund balance in the current year.

Ad valorem taxes for the fiscal year ended June 30, 2012, were comparable to last year's collections. Rental income increased during the current year as a result of the District leasing Spec building #4, as well as increasing the monthly rental on an existing lease. Interest income decreased due to decreasing interest rates.

In the prior year the District incurred expenditures for a building purchase and legal expenditures in connection with the settlement reached with its former tenant, Trane U.S. Inc. This year, the District's overall expenditures decreased when compared with last year's activity. The cost of personnel decreased with the loss of its manager at the beginning of the year. This year the District's capital outlay expenditures were for building repairs and maintenance and architect design fees for a proposed recreational facility.

The District's proprietary fund statements provide the same type of information found in the government-wide financial statements but in more detail.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended June 30, 2012**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year ended June 30, 2012, the District made no amendments to its budget.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

At the end of June 30, 2012, the District had approximately \$14 million invested in capital assets including buildings, park facilities, and the water and sewer system.

	Governmental Activities		Business-type Activities		Totals	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 417,866	\$ 417,866	\$ -	\$ -	\$ 417,866	\$ 417,866
Land improvements	245,220	288,715	-	-	245,220	288,715
Building and improvements	7,790,209	8,057,567	-	-	7,790,209	8,057,567
Improvements other than bldgs.	-	-	763,804	810,596	763,804	810,596
Equipment	<u>2,630</u>	<u>2,948</u>	<u>-</u>	<u>-</u>	<u>2,630</u>	<u>2,948</u>
Totals (net of depreciation)	\$ <u>8,455,925</u>	\$ <u>8,767,096</u>	\$ <u>763,804</u>	\$ <u>810,596</u>	\$ <u>9,219,729</u>	\$ <u>9,577,692</u>

**DEBT**

The North Webster Parish Industrial District issued Industrial Revenue Bonds to provide financial assistance to a private-sector entity for the acquisition, construction and installation of a manufacturing facility deemed to be in the public interest. The bonds are secured by a \$2,900,000 Letter of Credit, revenues received in connection with the leasing of the facility, revenues of the District in excess of the statutory, ordinary and customary expenses, and any economic development tax of the District. As of June 30, 2012, the District had \$1,930,000 in debt as compared to \$2,065,000 last year. No new debt was issued during the year.

More detailed information about the District's long-term liabilities is presented in Note 9 to the financial statements.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended June 30, 2012**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The North Webster Parish Industrial District anticipates no major increases or decreases in revenues for the 2012/2013 budget year. However, given the general economic climate and persistent unemployment, the North Webster Parish Industrial District increased its expenditures by approximately \$150,000 annually to employ a full-time certified economic developer, and additional administrative staff, if warranted.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the District's office at PO Box 176, Springhill, Louisiana, 71075, (318) 539-5058.

## **BASIC FINANCIAL STATEMENTS**

**STATEMENT A**

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**

**Statement of Net Assets**

**June 30, 2012**

	<u>Primary Government</u>		
	<u>Governmental</u>	<u>Business-Type</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 196,670	\$ -	\$ 196,670
Investments	3,384,777	-	3,384,777
Receivables (net of allowances for uncollectibles)	27,432	1,793	29,225
Prepaid items	25,451	-	25,451
Deposits	472	-	472
Noncurrent assets:			
Capital assets (net)	<u>8,455,925</u>	<u>763,804</u>	<u>9,219,729</u>
<b>Total assets</b>	<b><u>\$ 12,090,727</u></b>	<b><u>\$ 765,597</u></b>	<b><u>\$ 12,856,324</u></b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts, salaries, and other payables	\$ 3,540	\$ 1,187	\$ 4,727
Bonds and interest payable	<u>150,218</u>	<u>-</u>	<u>150,218</u>
Total current liabilities	<u>153,758</u>	<u>1,187</u>	<u>154,945</u>
Noncurrent liabilities:			
Compensated absences	4,037	-	4,037
Bonds payable	<u>1,785,000</u>	<u>-</u>	<u>1,785,000</u>
Total noncurrent liabilities	<u>1,789,037</u>	<u>-</u>	<u>1,789,037</u>
<b>Total liabilities</b>	<b><u>\$ 1,942,795</u></b>	<b><u>\$ 1,187</u></b>	<b><u>\$ 1,943,982</u></b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 6,525,925	\$ 763,804	\$ 7,289,729
Restricted	136,469	-	136,469
Unrestricted (deficit)	<u>3,485,538</u>	<u>606</u>	<u>3,486,144</u>
<b>Total net assets</b>	<b><u>\$ 10,147,932</u></b>	<b><u>\$ 764,410</u></b>	<b><u>\$ 10,912,342</u></b>

The accompanying notes are an integral part of this statement.

STATEMENT B

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Statement of Activities  
For the Year Ended June 30, 2012

	Program Revenues			Net (Expenses)/ Revenue	Net (Expenses) Revenues and Changes of Primary Government		
	Expenses	Charges for Services	Capital Grants and Contributions		Governmental Activities	Business-type Activities	Total
<b>Governmental activities</b>							
General government	\$ 648,731	\$ 505,400	\$ -	\$ (143,331)	\$ (143,331)	\$ -	\$ (143,331)
Park maintenance	10,345	-	-	(10,345)	(10,345)	-	(10,345)
Interest on long-term debt	68,564	-	-	(68,564)	(68,564)	-	(68,564)
Total governmental activities	727,640	505,400	-	(222,240)	(222,240)	-	(222,240)
<b>Business-type activities</b>							
Water and sewer	87,263	10,645	-	(76,618)	-	(76,618)	(76,618)
Total business-type activities	87,263	10,645	-	(76,618)	-	(76,618)	(76,618)
Total primary government	\$ 814,903	\$ 516,045	\$ -	\$ (298,858)	\$ (222,240)	\$ (76,618)	\$ (298,858)
General revenues:							
Property taxes levied for general purposes					507,680	-	507,680
Royalties					15,249	-	15,249
Investment earnings					35,797	-	35,797
Transfers					(31,010)	31,010	-
Total general revenues and transfers					527,716	31,010	558,726
Change in net assets					305,476	(45,608)	259,868
Net assets-beginning					9,842,456	810,018	10,652,474
Net assets-ending					\$ 10,147,932	\$ 764,410	\$ 10,912,342

The accompanying notes are an integral part of this statement.



**STATEMENT C**

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2012**

		Debt Service Fund	
	General Fund	Industrial Revenue Bonds, Series 2001	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 60,201	\$ 136,469	\$ 196,670
Investments	3,384,777	-	3,384,777
Receivables (net of allowances for uncollectibles)	10,842	-	10,842
Deposits	472	-	472
Total assets	<u>\$ 3,456,292</u>	<u>\$ 136,469</u>	<u>\$ 3,592,761</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts, salaries, and other payables	\$ 3,540	\$ -	\$ 3,540
Total liabilities	<u>3,540</u>	<u>-</u>	<u>3,540</u>
<b>Fund balances:</b>			
Restricted	-	136,469	136,469
Unassigned	3,452,752	-	3,452,752
Total fund balance	<u>3,452,752</u>	<u>136,469</u>	<u>3,589,221</u>
Total liabilities and fund balances	<u>\$ 3,456,292</u>	<u>\$ 136,469</u>	<u>\$ 3,592,761</u>

The accompanying notes are an integral part of this statement.

## NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

Reconciliation of the Governmental Funds Balance Sheet  
to the Government-Wide Financial Statement of Net Assets

June 30, 2012

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balances, Total Governmental Funds (Statement C)	\$ 3,589,221
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	8,455,925
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds	25,451
Other assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds	16,590
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in governmental funds:	
Compensated absences	\$ (4,037)
Bonds and interest payable	<u>(1,935,218)</u> <u>(1,939,255)</u>
Net Assets of Governmental Activities (Statement A)	<u>\$ 10,147,932</u>

The accompanying notes are an integral part of this statement.

## NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

**Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Governmental Funds**

**For the Year Ended June 30, 2012**

		Debt Service Fund	
	General Fund	Industrial Revenue Bonds, Series 2001	Total Governmental Funds
<b>REVENUES</b>			
Taxes:			
Ad valorem	\$ 507,680	\$ -	\$ 507,680
Rental income	297,810	214,125	511,935
Oil & gas royalty	15,249	-	15,249
Investment earnings	35,189	17	35,206
Total revenues	<u>855,928</u>	<u>214,142</u>	<u>1,070,070</u>
<b>EXPENDITURES</b>			
General government	154,071	-	154,071
Park maintenance	10,345	-	10,345
Capital outlay	32,869	-	32,869
Debt service	-	204,958	204,958
Total expenditures	<u>197,285</u>	<u>204,958</u>	<u>402,243</u>
Excess of revenues over expenditures	658,643	9,184	667,827
<b>OTHER FINANCING SOURCES (USES)</b>			
Pass through repayments to LED	(150,000)	-	(150,000)
Transfers out	(31,010)	-	(31,010)
Total other financing sources and uses	<u>(181,010)</u>	<u>-</u>	<u>(181,010)</u>
Excess of revenues and other sources over expenditures and other uses	477,633	9,184	486,817
Fund balances - beginning	<u>2,975,119</u>	<u>127,285</u>	<u>3,102,404</u>
Fund balances - ending	<u>\$ 3,452,752</u>	<u>\$ 136,469</u>	<u>\$ 3,589,221</u>

The accompanying notes are an integral part of this statement.

## NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities**

**For the Year Ended June 30, 2012**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$ 486,817
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Amount by which capital outlays exceeded depreciation in the current period	(311,172)
Revenue in the statement of activities that do not provide current resources are not reported as revenues in the funds	(5,945)
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of the differences in the treatment of long-term debt.	135,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	<u>776</u>
Change in Net Assets of Governmental Activities, Statement B	<u>\$ 305,476</u>

The accompanying notes are an integral part of this statement.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Statement of Net Assets, Proprietary Funds**  
**June 30, 2012**

	Business-Type Activity
	<u>Water and Sewer</u>
<b>ASSETS</b>	
Current assets:	
Accounts receivable	\$ 1,793
Total current assets	<u>1,793</u>
Noncurrent assets:	
Capital assets (net of accumulated depreciation)	<u>763,804</u>
Total noncurrent assets	<u>763,804</u>
Total assets	<u>\$ 765,597</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 1,187
Total current liabilities	<u>1,187</u>
Total liabilities	<u>\$ 1,187</u>
<b>NET ASSETS</b>	
Invested in capital assets	763,804
Unrestricted	<u>606</u>
Total net assets	<u>\$ 764,410</u>

The accompanying notes are an integral part of this statement.

**STATEMENT H**

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2012**

	Business-Type Activity
	<u>Water and Sewer</u>
<b>Operating revenues:</b>	
Charges for services	
Water and sewer income	\$ 10,645
Total operating revenues	<u>10,645</u>
<b>Operating expenses:</b>	
Contract labor	12,000
Utilities	11,325
Telephone	387
Testing fees	1,214
Repairs and maintenance	15,545
Depreciation	<u>46,792</u>
Total operating expenses	<u>87,263</u>
<b>Operating income (loss) before contributions and transfers</b>	(76,618)
Transfers in	<u>31,010</u>
<b>Change in net assets</b>	(45,608)
<b>Net assets - beginning</b>	<u>810,018</u>
<b>Net assets - end of year</b>	<u><u>\$ 764,410</u></u>

The accompanying notes are an integral part of this statement.

## STATEMENT I

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2012**

	Business-Type Activity Water and Sewer
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 10,364
Cash payments for supplies and services	<u>(41,374)</u>
Net cash provided (used) by operating activities	<u>(31,010)</u>
<b>Cash flows from noncapital financing activities:</b>	
Transfer from other funds	<u>31,010</u>
Net cash provided (used) by noncapital financing activities	<u>31,010</u>
Net increase in cash and cash equivalents	-
Cash and cash equivalents at beginning of year	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ -</u>
<b>Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:</b>	
Operating loss	\$ <u>(76,618)</u>
Depreciation	46,792
Increase (decrease) in accounts payable	(903)
(Increase) decrease in accounts receivable	<u>(281)</u>
Total adjustments	<u>45,608</u>
Net cash provided (used) by operating activities	<u>\$ (31,010)</u>

The accompanying notes are an integral part of this statement.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**INTRODUCTION**

The North Webster Parish Industrial District was created as a political subdivision of the state, under the provisions of Act No. 422 of the 1978 regular session of the Louisiana Legislature. Its territorial limits and jurisdiction extend throughout Ward Two of Webster Parish in the northwest corner of the State of Louisiana.

The governing authority of the District is a Board of Commissioners consisting of seven members, two of whom are appointed by the City of Springhill, one each is appointed by the municipalities of Cullen, Sarepta, Shongaloo, and Cotton Valley, and one is appointed by the Webster Parish Police Jury. Each commissioner serves for an indefinite term of office at the pleasure of the appointing authority.

The District is provided the powers and duties to incur debt and issue bonds to encourage industrial enterprises through the operation of an industrial park.

**1. Summary of Significant Accounting Policies**

**A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the North Webster Parish Industrial District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.



**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**1. Summary of Significant Accounting Policies (continued)**

Separate financial statements are provided for governmental funds and proprietary funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related claims and judgments, are recorded only when payment is due.

Property taxes, rental income, royalties and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**I. Summary of Significant Accounting Policies (continued)**

The District reports two major governmental funds, which include:

*General Fund* – The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund.

*Debt Service Fund* – The Debt Service Fund is used to account for transactions relating to resources retained and used for the payment of principal and interest on the Industrial Revenue Bonds, Series 2001.

The District reports one proprietary fund. The Enterprise Fund (Water & Sewer) is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort direct costs and program revenues reported for the various functions concerned.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**1. Summary of Significant Accounting Policies (continued)**

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are from charges for water and sewerage services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**C. Deposits and Investments**

The District's cash and cash equivalents includes amounts considered to be demand deposits and short-term investments. State law and the District's investment policy allow the district to invest in collateralized certificates of deposits, government back securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

Investments for the District are reported at fair value.

**D. Receivables and Payables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include grants, lease revenues, and interest.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**1. Summary of Significant Accounting Policies (continued)**

Business-type activities report utilities as their major receivable. The District considers substantially all customers' utility receivables and other receivables to be fully collectible; accordingly, an allowance for doubtful accounts is not required. If amounts become uncollectible, in the opinion of management, they are charged to operations at that time.

In the fund financial statements, material receivables in governmental funds include revenue accruals for lease payments and other intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied and collected by the tax collector of the Parish of Webster. Taxes are levied in September or October, and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year.

The tax levy for 2011 was 5.14 mills of the assessed property valuation on tax rolls as of January 1. For the year ended June 30, 2012, taxes of \$510,088 were levied on property with assessed valuations totaling \$99,238,957.

**E. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$2,500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**1. Summary of Significant Accounting Policies (continued)**

Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	20-40 years
Buildings and building improvements	10-40 years
Equipment	5-20 years

**F. Compensated Absences**

The District's policy for paid time off permits full-time employees to accumulate earned but unused vacation/sick time. The amount of paid-time off an employee is eligible for is determined by amount of time of service for the District. The employee is allowed to carryforward to the next calendar year up to 15 days of earned paid time off if workload dictates and with approval by the manager.

**G. Fund balances**

The North Webster Parish Industrial District implemented the provisions of Governmental Accounting Standards Board Statement 54, which redefined how fund balances are presented in the fund financial statements. In the fund financial statements, fund balances are classified as follows:

**Nonspendable** - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**Restricted** - Amounts that can be spent only for specific purposes because of state or federal laws, or externally-imposed conditions by grantors or creditors.

**Committed** - Amounts that can only be used for specific purposes determined by a formal action of the District. These amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**1. Summary of Significant Accounting Policies (continued)**

Assigned - Amounts that are designated as committed by the District but are not spendable until a budget ordinance is passed.

Unassigned - All amounts not included in other spendable classifications. The District has not adopted a policy to maintain the General Fund's unassigned fund balance above a certain minimum level.

**2. Stewardship, Compliance, and Accountability**

*Budget information.* The District uses the following budget practices:

- 1) The administrative assistant prepares a proposed budget and submits same to the Board of Commissioners no later than fifteen days prior to the beginning of each fiscal year.
- 2) After formal review and public inspection, the budget is adopted by the Board of Commissioners prior to June 30 of the year end.
- 3) Formal budgetary integration is employed as a management control device during the year for the general fund. Budgetary amendments require the approval of the Board of Commissioners. The Board of Commissioners is authorized to transfer amounts between line items within any fund.
- 4) The budget for the general fund is adopted on a cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP).
- 5) Appropriations lapse at the end of each fiscal year.
- 6) The Board of Commissioners may authorize supplemental appropriations during the year.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**2. Stewardship, Compliance, and Accountability (continued)**

The revenues and expenditures, for the year ended June 30, 2012, as shown on Statement E, are reconciled with the amounts reflected on the budget comparisons on Schedule I as follows:

	<u>General Fund</u>
Year ended June 30, 2012:	
Excess of revenues and other financing sources over expenditures and other uses (Fund Basis)	\$ 477,633
To adjust for:	
(Increase) Decrease in receivables	(5,546)
Increase (Decrease) in payables	<u>(2,757)</u>
Excess of revenues and other financing sources over expenditures and other uses (Cash Basis)	\$ <u>469,330</u>

**3. Cash and Cash Equivalents**

At June 30, 2012, the District had cash and cash equivalents totaling \$196,670 in interest-bearing demand deposits. These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times at least equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2012, the District had \$3,582,414 in deposits and certificates of deposit (collected bank balances). These deposits were secured from risk by \$2,115,139 of federal deposit insurance and \$1,355,631 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The remaining balance of \$111,644 is not secured by the pledge of securities and is a violation of state law.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**3. Cash and Cash Equivalents (continued)**

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

**4. Investments**

As of June 30, 2012, the District had the following investments:

<u>Types of investments</u>	<u>Total Fair value/ Carrying Amount</u>
Certificates of deposit	\$ <u>3,384,777</u>

The carrying value of the District's certificates of deposit approximates fair market value.

Investments are categorized as insured securities held by the District or its agent in the District's name. Certificates of deposits are secured from risk by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3.)



**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**5. Receivables**

The receivables of the government-wide financial statements at June 30, 2012 are as follows:

	<u>Governmental</u>	<u>Business-type</u>
Oil and gas royalties	\$ 988	\$ -
Ad valorem taxes	93	-
Intergovernmental receivable	815	
Interest receivable	3,211	-
Lease payments receivable	22,325	-
Water & sewer receivable	-	<u>1,793</u>
Total	\$ <u>27,432</u>	\$ <u>1,793</u>

The receivables of the governmental fund financial statements at June 30, 2012 are as follows:

	<u>General Fund</u>
Oil and gas royalties	\$ 988
Ad valorem taxes	93
Intergovernmental receivable	815
Lease payments receivable	<u>8,946</u>
Total	\$ <u>10,842</u>

All receivables are expected to be collected within one year, and are considered fully collectible and, therefore, no allowance for uncollectible amounts is provided. If amounts become uncollectible, they are charged to operations when that determination is made.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**6. Capital Assets**

Capital assets and depreciation activity as of and for the year ended June 30, 2012, for the District is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 417,866	\$ _____	\$ _____	\$ 417,866
Total capital assets, not being depreciated	<u>417,866</u>	<u>_____</u>	<u>_____</u>	<u>417,866</u>
Capital assets being depreciated				
Land improvements	1,370,354	-	-	1,370,354
Buildings and improvements	10,331,294	-	-	10,331,294
Machinery and equipment	<u>39,352</u>	<u>_____</u>	<u>_____</u>	<u>39,352</u>
Total capital assets being depreciated	<u>11,741,000</u>	<u>_____</u>	<u>_____</u>	<u>11,741,000</u>
Less accumulated depreciation for:				
Land improvements	1,081,639	43,495	-	1,125,134
Building and improvements	2,273,727	267,358	-	2,541,085
Machinery and equipment	<u>36,404</u>	<u>318</u>	<u>_____</u>	<u>36,722</u>
Total accumulated depreciation	<u>3,391,770</u>	<u>311,171</u>	<u>_____</u>	<u>3,702,941</u>
Total capital assets being depreciated, net	\$ <u>8,349,230</u>	\$ <u>(311,171)</u>	\$ <u>_____</u>	\$ <u>8,038,059</u>
<b>Business-type activities:</b>				
Capital assets being depreciated				
Improvements other than buildings	\$ 1,804,563	\$ -	\$ -	\$ 1,804,563
Less accumulated depreciation for:				
Improvements other than buildings	<u>993,967</u>	<u>46,792</u>	<u>_____</u>	<u>1,040,759</u>
Total capital assets being depreciated, net	\$ <u>810,596</u>	\$ <u>(46,792)</u>	\$ <u>_____</u>	\$ <u>763,804</u>

Depreciation expense was charged as a direct expense of the primary government as follows:

<b>Governmental activities:</b>		<b>Business-type activities:</b>	
General government	\$ <u>311,171</u>	Water & sewer	\$ <u>46,792</u>

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**7. Operating Transfers**

Operating transfer balances for the year ended June 30, 2012, were as follows:

	Operating Transfer	
	<u>IN</u>	<u>OUT</u>
General Fund	\$ -	\$ 31,010
Enterprise Fund	<u>31,010</u>	<u>-</u>
	\$ <u>31,010</u>	\$ <u>31,010</u>

**8. Leases**

The District leased four buildings and an office facility to companies operating in the park. The primary terms of the leases range from two years to fifteen years with, in some cases, options to renew. The District has granted an option, within the primary term of the lease, for the lessor to purchase said building in all leases except for the operating lease on Building #4 and the clinic.

The following is the net investment in each building:

	<u>Cost</u>	<u>Accumulated depreciation as of June 30, 2012</u>
Building #1	\$ 169,170	\$ 94,966
Building #3	1,025,803	42,742
Building #4	1,297,330	477,622
Building #5	1,272,845	416,579
Compression Building Facility	2,822,362	734,990
Building – Clinic	310,944	53,822
CSP - Office facility/Geothermal		
Cooling System	<u>871,097</u>	<u>285,264</u>
Total	\$ <u>7,769,551</u>	\$ <u>2,105,985</u>

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**8. Leases (continued)**

The following is a schedule of future minimum lease payments to be received, as of June 30, 2012:

Year Ended <u>June 30</u>	Building <u>#1</u>	CSP <u>facility</u>	CSP <u>office</u>	Building <u>#5</u>	Medical <u>Clinic</u>	Building <u>#4</u>	<u>Total</u>
2013	\$ 5,850	\$ 200,922	\$ 45,681	\$ 15,000	\$ 8,464	\$ 48,600	\$ 324,517
2014	-	206,240	44,140	-	8,464	-	258,844
2015	-	211,252	42,578	-	8,464	-	262,294
2016	-	215,957	41,004	-	2,116	-	259,077
2017	-	220,355	39,444	-	-	-	259,799
2018-2022	-	<u>1,185,696</u>	<u>158,223</u>	-	-	-	<u>1,343,919</u>
Total minimum lease payments	\$ <u>5,850</u>	\$ <u>2,240,422</u>	\$ <u>371,070</u>	\$ <u>15,000</u>	\$ <u>27,508</u>	\$ <u>48,600</u>	\$ <u>2,708,450</u>

**9. Long-term Obligation**

The following is a summary of the change in long-term debt for the year ended June 30, 2012:

<u>Type of debt</u>	Balance <u>July 1, 2011</u>	Additions/ (Deductions)	Balance <u>June 30, 2012</u>	Amount due <u>within one year</u>	Noncurrent <u>liabilities</u>
Governmental activities:					
Industrial revenue bonds	\$ 2,065,000	\$ (135,000)	\$ 1,930,000	\$ 145,000	\$ 1,785,000
Compensated absences	<u>3,014</u>	<u>1,023</u>	<u>4,037</u>	-	<u>4,037</u>
Total	\$ <u>2,068,014</u>	\$ <u>(133,977)</u>	\$ <u>1,934,037</u>	\$ <u>145,000</u>	\$ <u>1,789,037</u>

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**9. Long-term Obligation (continued)**

Bonds payable at June 30, 2012, are comprised of the following individual issues:

	<u>Principal Outstanding</u>	<u>Interest to Maturity</u>
\$2,900,000 Revenue Bonds, dated July 1, 2001; Due in annual installments of \$85,000-250,000; Interest at an adjustable weekly interest rate based on the prime rate	\$ 1,930,000	\$ 310,422

The North Webster Parish Industrial District issued Industrial Revenue Bonds to provide financial assistance to a private-sector entity for the acquisition, construction and installation of a manufacturing facility deemed to be in the public interest. The bonds are secured by a \$2,900,000 Letter of Credit, revenues received in connection with the leasing of the facility, revenues of the District in excess of the statutory, ordinary and customary expenses, and any economic development tax of the District.

The annual requirements to amortize all debt outstanding as of June 30, 2012, including interest payments of \$310,422, are as follows:

Year ending	Revenue Bonds		
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 145,000	\$ 55,922	\$ 200,922
2014	155,000	51,240	206,240
2015	165,000	46,252	211,252
2016	175,000	40,957	215,957
2017	185,000	35,355	220,355
2018-2022	<u>1,105,000</u>	<u>80,696</u>	<u>1,185,696</u>
	\$ <u>1,930,000</u>	\$ <u>310,422</u>	\$ <u>2,240,422</u>

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**10. Pass Through Payments Reported as Other Financing Sources (Uses)**

On June 4, 2004, a contract was executed between the Louisiana Department of Economic Development (LED), Continental Structural Plastics of Louisiana, LLC (CSP), and the North Webster Parish Industrial District (District). The contract was to award a grant of \$1,800,000 through the LED Economic Development Award Program for the purpose of funding the construction of a 37,500 square foot addition to an existing plant facility, owned by the District and leased to CSP.

The contract requires CSP to execute with the District a lease containing a commitment to occupy the addition for its manufacturing purposes, and repay the awarded funds through 144 consecutive monthly lease payments over a 12 year term in the amount of \$12,500 each, beginning with CSP's occupancy of the addition, to be paid to the District, which will act as a "pass through" or a "conduit" and forward all lease payments received from CSP to LED in repayment of the grant.

During the year ended June 30, 2012, the District received twelve (12) installments of \$12,500 from CSP totaling \$150,000 which was recognized as rental payments. The same amount was remitted to LED for the year ended June 30, 2012.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered part of the basic financial statements. Such information includes the Budgetary Comparison Schedule for the General Fund

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual	Variance with
	Original	Final	(CASH) Basis	Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes - ad valorem	\$ 480,000	\$ 480,000	\$ 507,591	\$ 27,591
Rental income	257,128	257,128	293,095	35,967
Oil & gas royalty	11,500	11,500	15,322	3,822
Interest	24,000	24,000	35,189	11,189
Total revenues	<u>772,628</u>	<u>772,628</u>	<u>851,197</u>	<u>78,569</u>
<b>Expenditures</b>				
General Government	271,371	271,371	157,143	114,228
Park maintenance	12,500	12,500	10,845	1,655
Capital outlay	257,050	257,050	32,869	224,181
Total expenditures	<u>540,921</u>	<u>540,921</u>	<u>200,857</u>	<u>340,064</u>
Excess (deficiency) of revenues over (under) expenditures	231,707	231,707	650,340	418,633
<b>Other Financing Sources (Uses)</b>				
Pass through repayments to LED	(150,000)	(150,000)	(150,000)	-
Operating transfers out	(33,872)	(33,872)	(31,010)	2,862
Total other financing sources (uses)	<u>(183,872)</u>	<u>(183,872)</u>	<u>(181,010)</u>	<u>2,862</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	47,835	47,835	469,330	421,495
<b>Fund balance at beginning of year</b>	<u>2,951,442</u>	<u>2,951,442</u>	<u>2,975,771</u>	<u>24,329</u>
<b>Fund balance at end of year</b>	<u>\$ 2,999,277</u>	<u>\$ 2,999,277</u>	<u>\$ 3,445,101</u>	<u>\$ 445,824</u>

The accompanying notes are an integral part of this statement.



**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**

**Notes to Budgetary Comparison Schedule  
As of and for the Year Ended June 30, 2012**

**Note 1 - Budget basis**

The budget for the general fund is adopted on a cash basis.

## **OTHER SUPPLEMENTAL SCHEDULES**

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements include:

- Schedule of Compensation Paid Board Members
- Schedule of General Fund Expenditures

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT****Schedule of Compensation Paid Board Members****June 30, 2012**

The Board of Commissioners of the North Webster Parish Industrial District meets each month. They do not receive any compensation. The following were members of the Board as of June 30, 2012:

Chairman	Jeff Slack	Member	Ray Mills
Vice-Chairman	David Smith	Member	Lamar Smith
Secretary	Johnny Herrington	Member	Terry Revelle
Member	Jerry Hayes		

The accompanying notes are an integral part of this statement.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Schedule of General Fund Expenditures  
Year Ended June 30, 2012

With Comparative Amounts for the Year Ended June 30, 2011

	<u>2012</u>	<u>2011</u>
General and administrative:		
Salaries	\$ 30,137	\$ 71,399
Taxes	2,338	5,482
Insurance	49,355	51,502
Legal and accounting	19,871	54,250
Professional fees	225	14,375
Office	4,071	5,169
Tax assessor fees	18,171	17,992
Travel	1,452	6,289
Bank fees	1,860	1,398
Promotional	943	18,823
Telephone	4,437	5,603
Utilities	12,675	15,005
Dues	4,245	6,160
Printing	2,415	3,147
Miscellaneous	1,876	-
Total general and administrative	<u>154,071</u>	<u>276,594</u>
Park expenditures:		
Maintenance	<u>10,345</u>	<u>6,926</u>
Capital outlay:		
Building and improvements	-	500,000
Miscellaneous projects	<u>32,869</u>	<u>2,112</u>
Total capital outlay	<u>32,869</u>	<u>502,112</u>
Total general fund expenditures	<u>\$ 197,285</u>	<u>\$ 785,632</u>

The accompanying notes are an integral part of this statement.

## **OTHER REPORTS**

# JAMIESON, WISE & MARTIN

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KRISTIE K. MARTIN, C.P.A.

WM PEARCE JAMIESON, C.P.A.(1991)

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners  
North Webster Parish Industrial District

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of North Webster Parish Industrial District, as of and for the year ended June 30, 2012, which collectively comprise the district's basic financial statements and have issued our report thereon dated December 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

Management of the North Webster Parish Industrial District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered North Webster Parish Industrial District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Webster Parish Industrial District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of the North Webster Parish Industrial District in a separate letter dated December 14, 2012.

This report is intended solely for the information of the District's Board of Commissioners, grant awarding agencies and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Jameson, Wise & Martin*

Minden, Louisiana  
December 14, 2012

## NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

### Current Year Findings, Recommendations and Corrective Action Plan For the Year Ended June 30, 2012

We have audited the basic financial statements of the North Webster Parish Industrial District as of and for the year ended June 30, 2012, and have issued our report thereon dated December 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2012 resulted in an unqualified opinion.

#### *Section I Summary of Auditors' Reports*

##### *a. Report on Internal Control and Compliance Material to the Financial Statements*

###### Internal Control

Material Weaknesses ☐ Yes ☒ No

Significant Deficiencies ☐ Yes ☒ No

###### Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

Was a management letter issued? ☒ Yes ☐ No

#### *Section II Financial Statement Findings*

The results of our auditing procedures of the basic financial statements as of and for the year ended June 30, 2012, of the North Webster Parish Industrial District, disclosed no items that are required to be reported in accordance with Generally Accepted Government Auditing Standards (GAGAS).

#### *Section III Management Letter*

##### **2012-01 Deposits in excess of adequate security**

###### **Management's Planned**

**Corrective Action:** The North Webster Parish Industrial District has contacted area banks and requested monthly and/or quarterly reports be issued to ensure the District can effectively monitor pledged securities to ensure its compliance with Louisiana law.



## NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

### Status of Prior Audit Findings For the Year Ended June 30, 2012

The results of our auditing procedures of the basic financial statements as of and for the year ended June 30, 2011, of the North Webster Parish Industrial District, disclosed no items that are required to be reported in accordance with Generally Accepted Government Auditing Standards (GAGAS).

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**MANAGEMENT LETTER**

To the Board of Commissioners  
North Webster Parish Industrial District

We have audited the basic financial statements of the North Webster Parish Industrial District as of and for the year ended June 30, 2012, and have issued our report thereon dated December 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

As part of our examination, we have issued our report on the financial statements, dated December 14, 2012 and our report on internal control and compliance with laws, regulations, contracts and grants, dated December 14, 2012.

During the course of our examination, we became aware of the following matter which represents immaterial deviations of compliance or suggestions for improved internal controls.

**Item 2012-01 Deposits in excess of adequate security**

**Criteria:** According to LSA RS 39:1225, adequate security is to be pledged by the North Webster Parish Industrial District for deposits in excess of the federal depository insurance.

**Condition:** As of June 30, 2012, the District had approximately \$111,644 in deposits with a local bank, which were not adequately secured.

**Effect:** As of June 30, 2012, the District had approximately \$111,644 in deposits with a local bank, which were not adequately secured and is a violation of state law.

**Recommendation:** District should establish procedures to monitor the balances of its bank balances on a regular basis. These procedures should allow the District to determine whether their deposits are adequately secured and allow the District to remedy unsecured deposits on a timely basis.

Very truly yours,

*Jamison, Wise & Martin*

Jamison, Wise & Martin  
December 14, 2012